

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF WESTERN LEWIS-)
RECTORVILLE WATER AND GAS DISTRICT) CASE NO. 92-331-EE

ORDER

On May 12, 1993, in Case No. 92-331, the Commission approved adjustments to the rates of Western Lewis-Rectorville Water and Gas District ("Western Lewis") to recover its purchased gas cost on a quarterly basis in accordance with the provisions of Western Lewis's gas cost adjustment ("GCA") clause.

On November 27, 2000, Western Lewis filed its GCA to be effective from January 1, 2001 to March 31, 2001. On December 12, 2000, Western Lewis notified the Commission that it had lost its previous supplier, Gasco. Western Lewis also revised its application at that time in order to incorporate new information on an expected substantial increase in its wholesale gas costs.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. In its notice, Western Lewis proposed revised rates to pass on its expected increase in gas costs to its customers. Western Lewis's proposed expected gas cost ("EGC") is \$9.3781 per Mcf, an increase of \$2.7060 per Mcf from the prior EGC of \$6.6721.

2. Western Lewis's notice set out no refund adjustment.

3. Western Lewis's proposed current actual adjustment ("AA") is 10.74 cents per Mcf. Western Lewis's proposed total AA of (1.84) cents per Mcf reflects the current net under-recovery, as well as previous quarters' under- and over-recoveries. The total AA represents a 22.3 cent per Mcf increase from the previous quarter total AA.

4. Western Lewis's notice set out a current balance adjustment ("BA") of 1.13 cent per Mcf to reconcile a previous quarter AA. Western Lewis used the incorrect cost difference to compute its BA. The amount should have been (\$4,921) rather than the \$5,682 Western Lewis used. Correcting for this produces a current quarter BA of .32 cent per Mcf. Western Lewis's notice set out a total BA of (1.71) cent per Mcf. Adjusting for the correct current quarter BA produces a total BA of .22 cent per Mcf, which reflects the current under-recovery as well as previous quarters' under- and over-recoveries. The total BA represents a decrease of .03 cent per Mcf from the previous total BA.

5. These combined adjustments produce a corrected gas cost recovery rate ("GCR") of \$9.3619 per Mcf, \$2.9287 per Mcf more than the prior rate of \$6.4332.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, are in the public interest, and should be approved for bills rendered on and after January 1, 2001.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for bills rendered on and after January 1, 2001.

3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 21st day of December, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-EE DATED DECEMBER 21, 2000

The following rates and charges are prescribed for the customers served by Western Lewis–Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Customer Charge	\$1.00 per month		
<u>Monthly usage</u>		Gas Cost Recovery Rate	<u>Total</u>
	<u>Base Rate</u>		
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$9.3619	\$13.3502
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	9.3619	10.8184
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	9.3619	10.7589
Over 10,000 cubic feet per	1.2228	9.3619	10.5847

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Western Lewis-Rectorville Water and Gas District

Case No.: 92-331-EE
Filing Date: November 27, 2000
Proposed Effective Date: January 1, 2001
Approved Effective Date: January 1, 2001

Wholesale Gas Supplier: Duke Energy

Wholesale cost: Increased \$2.7060 per Mcf
Retail Rate: Increased \$2.9287 per Mcf
(Net effect of all adjustments)

Gas Cost Adjustment Components:

Expected Gas Cost	\$ 9.3781
Refund Adjustment	-----
Actual Adjustment	(.0184)
<u>Balancing Adjustment</u>	<u>.0022</u>
Gas Cost Adjustment	\$ 9.3619

Prepared by: Dawn McGee

Date: December 14, 2000